GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

STARRED QUESTION NO:475
ANSWERED ON:24.08.2001
IMPORT OF TEA
TUFANI SAROJ

Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the import of tea is increasing over the last few years;

(b) if so, the details of tea imported during each of the last three years together with the price thereof;

(c) whether the import of tea at such a low price and huge quantum has adversely affected the trade of domestic tea;

(d) if so, the details regarding the effect of imported tea on the trade of domestic tea; and

(e) the steps taken / being taken by the Government to safeguard the domestic tea growers?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI DIGVIJAY SINGH)

(a) to (e) : A Statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (c) OF LOK SABHA STARRED QUESTION NO.475 FOR ANS ON 24.8.2001 REGARDING IMPORT OF TEA.

(a) & (b) : Import of Tea during the last three years has been as follows:-

	Qty. (Tons)	Value (Rs. Lakhs)	Unit Price (Rs./Kg.)
1998-99	9058	6482.75	71.57
1999-2000	5057	2561.05	50.64
2000-2001	6404	4148.92	64.79

(c) to (e) Import of tea during 2000-2001 was 6404 Tons which is only 0.8% of the total tea production in the country. Since the bulk of these imports is for re-export purpose, it is very unlikely that import of tea can have any adverse impact on the domestic tea industry. However, with a view to protect the interest of the domestic tea growers, Government/Tea Board has taken various steps which include the following:-

(i) In order to compensate the small tea growers for the low price realization at the auctions, Government had implemented a scheme through the Tea Board from 1.5.2000 under which subsidy was provided to the small growers of tea (holding upto 10.12 hectares of tea plantation) for an amount equal to the shortfall between the auction price and Rs.55 per kg. The extent of such subsidy was limited to a maximum of Rs.8 per kg of tea.

(ii) A Quality Upgradation Programme has been launched by the Tea Board in the Nilgiris district of Tamil Nadu for improving quality of tea manufactured by small growers.

(iii) Tea Marketing (Control) Order 1984 has been modified to remove the condition of obligatory sale of 75% of tea production through public tea auctions. The producers of tea are now free to sell any quantity of tea through public tea auctions.

(iv) The basic customs duty on import of tea has been increased from 35% to 70%.

(v) The sale of tea in the Domestic Tariff Area by 100% Export Oriented Units (EOUs) and units in Export Processing Zones (EPZs has been banned.